

FISCAL MEMORANDUM
SB 4014 – HB 4066

April 7, 2008

SUMMARY OF AMENDMENT (015025): Authorizes the establishment of a health group cooperative of small employers made up of at least 1,000 employees or at least 10 participating employers. The Department of Commerce and Insurance shall report to the Governor and the General Assembly on the effectiveness of the availability of health group cooperatives.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Not Significant
Increase State Expenditures – \$10,000/One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Small employer cooperative insurers would pay the premium tax on premiums collected. It cannot be determined how many small businesses would purchase the insurance available or how many employees would shift coverage from their current policies or gain policies under the provisions of this bill. It is estimated that offering small employers a health care cooperative to purchase health coverage will result in an increase in policies being written and an increase in the collection of the premium tax. Such is estimated to be not significant.
- The Department of Commerce and Insurance will incur a one-time increase in expenditures of \$10,000 to promulgate rules, create forms, and establish programming for data collection and retrieval.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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